APPLICATION FOR PERMISSION TO CHANGE POINT OF DIVERSION, MANNER OF USE AND PLACE OF USE OF THE PUBLIC WATERS OF THE STATE OF NEVADA HERETOFORE APPROPRIATED

| Date of filing in State Engineer's Office | SEP 20 2005 |
|---|-------------------------|
| Returned to applicant for correction | |
| Corrected application filed | |
| Map filed | APR 28 2004 under 71091 |

The applicant Springer Mining Company hereby makes application for permission to change the Point of Diversion and Place of Use of a Portion of water heretofore appropriated under Permit No. 42464

- 1. The source of water is Underground
- 2. The amount of water to be changed 0.1036 cfs 75.00 acre feet per annum
- 3. The water to be used for Milling, Mining and Domestic
- 4. The water heretofore permitted for Milling, Mining and Domestic
- 5. The water is to be diverted at the following point within the SE ¼ SE ¼ of Section 17, T.33N., R.36E., M.D.M., or at a point from which the southeast corner of said Section 17 bears South 77°21'33" East a distance of 1274.32 feet. See map supporting Application 71091.
- 6. The existing permitted point of diversion is located within the SE ¼ NW ¼ of Section 31, T.34N., R.35E., M.D.M., or at a point from which the NW corner of said Section 31, bears North 37 33'20" West, a distance of 2957.95 feet. See map supporting Application 42464
- 7. Proposed place of use within Section 17, T.33N., R.36E., M.D.M. A maximum of 640 acres within the above described section which is being developed as a mine site.
- 8. Existing place of use Section 35, T.34N., R.34E., M.D.M. See map supporting Permit No. 42464.
- 9. Use will be from January 1 to December 31 of each year.
- 10. Use was permitted from January 1 to December 31 of each year.
- 11. Description of proposed works Existing drilled & cased well, equipped with motor & pump.
- 12. Estimated cost of works \$100,000.00
- 13. Estimated time required to construct works Existing
- 14. Estimated time required to complete the application of water to beneficial use 5 years

15. Remarks: This application would allow use of a portion of the mining and milling rights under Permit 42464 at the mine being developed at the site under Application 71091. Please see the maps supporting 42464 and 71091 for existing and proposed points of diversion and places of use.

By s/ George G. Lindesmith George G. Lindesmith 1925 E. Prater Way Sparks, Nevada 89435

| Compared mt/gkl | dl/ gkl |
|-----------------|----------------|
| Protested | |

APPROVAL OF STATE ENGINEER

This is to certify that I have examined the foregoing application, and do hereby grant the same, subject to the following limitations and conditions:

This permit to change the point of diversion and place of use of a portion of the waters of an underground source as heretofore granted under Permit 42464 is issued subject to the terms and conditions imposed in said Permit 42464 and with the understanding that no other rights on the source will be affected by the change proposed herein. The well shall be equipped with a 2-inch opening and a totalizing meter must be installed and maintained in the discharge pipeline near the point of diversion and accurate measurements must be kept of water placed to beneficial use. totalizing meter must be installed before any use of the begins or before the proof of completion of work is filed. the water If the well is flowing, a valve must be installed and maintained to prevent waste. This source is located within an area designated by the State Engineer pursuant to NRS 534.030. The State retains the right to regulate the use of the water herein granted at any and all times.

This permit does not extend the permittee the right of ingress and egress on public, private or corporate lands.

The well must be sealed with cement grout, concrete grout cr neat cement from ground level to 100 feet.

This permit is issued under the preferred use provisions of NRS Chapter 534. The manner of use of water under this permit is by nature of its activity a temporary use and any application to change the manner of use granted under this permit will be subject to additional determination and evaluation with respect to the permanent effects on existing rights and the resource within the ground water basin.

The issuance of this permit does not waive the requirements that the permit holder obtain other permits from State, Federal and local agencies.

Monthly records shall be kept of the amount of water pumped from this well and the records submitted to the State Engineer on a quarterly basis within 15 days after the end of each calendar quarter.

The issuance of this permit expires Temporary Permit 73257-T. (CONTINUED ON PAGE 3)

The amount of water to be changed shall be limited to the amount which can be applied to beneficial use, and not to exceed $\underbrace{0.1036}_{\text{cubic}}$ cubic feet per second, $\underline{\text{but}}$ not to exceed 75 acre-feet annually.

Work must be prosecuted with reasonable diligence and be completed on or before:

May 2, 2007

Proof of completion of work shall be filed on or before:

June 2, 2007

Water must be placed to beneficial use on or before: May 2, 2009

Proof of the application of water to beneficial use shall be filed on or before:

June 2, 2009

Map in support of proof of beneficial use shall be filed on or before: ${\bf N/A}$

Certificate No. _____ Issued _____

IN TESTIMONY WHEREOF, I, HUGH RICCI, P.E.,

State Engineer of Nevada, have hereunto set

my hand and the seal of my office,

this 2nd day of May, A.D. 2006